

Mayor Donnalee Lozeau
State of the City Address
To the Board of Aldermen
February 23, 2010

As you know last week I was scheduled to present my address, but due to the weather the meeting was cancelled. I'd like to thank President McCarthy, for his willingness to let me present to the chamber the next morning, as it would have been difficult for them to reschedule.

I am honored tonight to present to you the state of our city.

Last February, I told you that Nashua was financially sound and full of opportunity. I am happy to report the same is true today.

While Nashua is holding its own, we are clearly in financially challenging times at the local level. We know the same is true on all levels of government again confirmed in the *State of the State* and the *State of the Union*.

The state has made it clear that cities and towns should not look to Concord for significant support in the year ahead. The message is much the same from Washington. While the state and federal governments have the ability to push costs down and shift tax burdens, the buck truly stops here at the local level.

When the economy hits rough waters, City Hall is asked to do more with less revenue, to keep taxes low but services at the same level, to provide a strong safety net for citizens whose lives are unraveling, and generally in times like these, through no fault of their own.

While the need for government services is very real, so is the public's anxiety regarding those very same institutions -- and they're anxious because they're not sure if they can still count on the people who run government to make the right decisions and to listen when they say things like: "stop and focus on the economy."

As city leaders, we always need to listen. We are determined to set a course for Nashua that will instill confidence in our residents, but we must also be honest about discussing limits and managing expectations. We need to be realistic about just what Washington, Concord and City Hall can do to fix the economy.

While each new fiscal year brings its own set of challenges, I'm happy to report that we closed the books for FY09 on some positive notes. This puts us at a good starting point for the work ahead on the budget.

Despite the recession, our Undesignated Fund Balance stands at \$25.9 million dollars which is 11.9% of the FY10 General Fund budget, well over the 10% minimum recommended by ordinance. Our last bond sale in the spring of 2009 had Standard & Poor's maintaining our AA+ rating.

City debt is at 15.4% of its allowable debt limit and the school is at 20.1% of its allowable debt limit. It is important to note that we use more stringent limits than required by the state.

One of the challenges in 2009 included property revaluation. Revaluation this year resulted in an average decrease in total taxable property valuations of over 10%, from \$9.4 billion to \$8.4 billion. Though this caused a sharp increase in the tax rate, it resulted in 75% of owners of residential property paying the same amount or less in taxes. Although not true for those in the commercial sector, as commercial property held their values better.

Without the revaluation, rates would have gone up only 1.3%.

The recession impacted us in a couple of ways. First, revenue from the state dropped significantly since last year as Concord struggled with its budget: \$2.4 million in revenue sharing was suspended, while almost \$2 million in DES funding was deferred and over \$1.2 million in additional retirement costs shifted from the state's budget to ours. We planned for this in the FY10 budget but it made it much more difficult to maintain crucial services and keep taxes down.

The recession hits us directly as well: lower motor vehicle registrations and investment income remain a concern as we prepare our FY11 budget. When I say the buck stops at the local level, I really mean it.

School Deficit

As you are aware, we suffered a \$3.2 million deficit in our School budget, a shortfall which was covered with a transfer from the School Capital Reserve Fund.

In FY10, we transferred one million dollars of our undesignated fund balance to help cover \$850-thousand of the FY10 projected school deficit and to beef up the catastrophic expense reserve by \$150- thousand. This reduction in Fund Balance still leaves us at 11.9% of the General Fund budget – again above our 10% minimum.

The revelation that our school budget had millions of dollars of red ink caught us all by surprise back in July. And that surprise was followed by shock when we dug deeper into the problem.

As mayor, I'm proud to say that instead of playing the blame game, we met the issue head on. The School Board took responsibility and they diligently worked with their incoming Superintendant Mark Conrad to investigate thoroughly the circumstances that led to the problem. Since that time, we have been working closely with the school administration to be certain that proper controls are in place and that there is accountability to the city.

Going forward, controls and accountability are absolutely necessary to assure the public that we have both cooperation and strong fiscal management. Our new financial software will make that possible. More on that later.

The City's Chief Financial Officer and School's new Chief Operating Officer have established monthly reviews and continue to improve the process.

I believe that the report issued six months ago by Superintendent Mark Conrad provided clear evidence that the reason behind the deficit was not a theft but rather mismanagement and poor budgeting. This is why, as Mayor, I feel strongly that legislation presented to the Board calling for a forensic audit, which even as amended, I believe is unnecessary and counter-productive. Our limited and valuable resources which includes staff should be used more constructively, and not diverted to repeating the exercise already completed by Superintendent Conrad. Let's get behind him and Chief Operating Officer Dan Donovan and support them as they tackle one of the greatest challenges our school district has faced.

It is a challenge we share as our upcoming budget will certainly reflect the difficult economy as well as the schools financial troubles. As I had predicted even prior to the school's unknown financial troubles, it is proving to be a very difficult year. As you know I have given directives relative to level funding, which in reality means cuts. I will point out however that declining revenues, from the state, federal government and our own local revenues are a challenge. Other challenges in addition to school finances are infrastructure needs which include an aging fleet in many city departments. All the while maintaining services and keeping taxes at a reasonable level. Because of the timing of this address, I am not able to be more specific about the budget, but will tell you it is my intention to present the budget to you at the full Board of Aldermen meeting on April 27th, I will at that time present a budget message.

So, what is the state of Nashua today?

Despite a school deficit, declining state revenues and enterprise funds that continue to pose a challenge, we have solid financials. Our big picture is positive.

It comes as no surprise that Nashua's unemployment rate for December 2009 is higher than last year.

Although we've officially clawed our way out of the recession that began at the end of 2007 and we have been seeing signs of recovery, the unemployment rate, is still high. Job recovery always occurs only after businesses begin to reinvest in capital and start producing more products to increase inventory.

There are bright spots to be found however. In contrast to these numbers, the "Help Wanted" sign is definitely out at Benchmark Electronics, the latest tenant in Nashua's Technology Park. As a matter of fact, when President Obama visited Nashua to talk jobs and the economy, Benchmark was holding a job fair to fill fifty positions!

Nashua Technology Park is happy to report they have new businesses moving into our community. Of their 700-thousand square feet, only 150 thousand is available, and their occupancy has risen to 80%. That didn't happen by accident

Nashua has always been well known for innovation. The roundtables we have sponsored have brought businesses together to talk about how the City can help make them strong.

While government can be a catalyst, in the end, it is the business sector that will ultimately push the economy out of the recession.

We are fortunate to have several companies right here in Nashua that illustrate how innovation in private industry can help lead the way. They are Ektron, Nemo Equipment and ICad. All three businesses were named *Innovation Rock Award* winners for 2009. They received the honor for having designed and implemented a significant innovation that has had a positive impact on New Hampshire's economy. The awards are a partnership between the New Hampshire Business Resource Center and Rock 101 WGIR FM celebrating the outstanding achievements of technology companies in New Hampshire.

As mayor, I've been visiting businesses with our Economic Development Director and asking them if they need us and if they do, how can we help? I have visited companies like: North

End Technologies, Element Manufacturing, Greenard Press, Caliper Design, Ektron, Nemo Equipment and Benchmark Electronics

Six of those I mentioned are manufacturing companies. Four of the seven list "Design" as the primary focus in describing what they do. There is a bounty of intellectual capital here in Nashua and that is what allows us to respond to a changing economy.

When the White House called to tell us President Obama was coming to Nashua and that he planned to speak about jobs and the economy, I had only five extra tickets and I wanted to distribute them wisely.

So I invited the president of the Nashua Community College, the president of one of our newest small banks, the president of our Chamber of Commerce, a small business owner and the Executive Director of an agency providing work-force training services.

I wanted these men and women, who have such a vested interest in our community, to hear first hand of the president's jobs initiative so that we can apply his proposals locally. The next step? Bringing that group together with other stakeholders and translating initiatives into reality.

It always has to be foremost in our minds that our single greatest responsibility in economic development is creating an environment that is attractive and predictable for business growth and success. Our roundtables and visits enable us to evaluate the information and implement ideas that our business share. This has resulted in positive change including the expansion of Economic Development Zones throughout Nashua. This allows businesses to take advantage of business tax credits in New Hampshire.

It is also important to maintain one of our critical tools – the Greater Nashua Revolving Loan Fund – assisting businesses that are growing and reorganizing and in need of capital, especially critical as banks have limited business credit opportunities. I have had more than one business tell me that without it they would not be here today.

We have made real strides in streamlining permitting.

A good example is when we applied for and received an urban exemption from the Shorelands Protection Act for much of downtown Nashua. And we are preparing for the future with targeted planning initiatives that support future growth insuring that we are ready and competitive when the economy picks up steam. Those include the Bridge Street Water Front Development Project under the Business and Industrial Development Authority, Front and Franklin Streets and of course, the Broad Street Parkway.

The Broad Street Parkway is our most ambitious infrastructure project. With the positive vote from the Board this past year we have our project manager on board and are well on our way toward final approvals from the Federal and State Government. We believe construction will begin in the fall.

Speaking of infrastructure, my office is paying attention to our Downtown. This past year, we sent out comprehensive surveys to businesses and consumers. We had close to a 20% response. We continue to review the results, but the important piece is that we are looking at both sides of the equation so we can figure out how to get owners and shoppers interests on the same page.

Additionally, the recently established Business Improvement District Advisory Committee is working hard to provide a recommendation to me and this Board regarding what is best for the Downtown.

We are gathering all of this information to map out the next best steps for our Downtown area. In the meantime, we are taking care of what we have heard loud and clear from last year.

Sidewalks – our city sidewalks have been a long time problem in the winter. If people can't get to our businesses, they can't support them. So we implemented a new sidewalk snow clearing program to rave reviews. This benefited not only our businesses but our schools as well, adding more than nine additional miles of plowed sidewalks.

Our sidewalk improvements came at the perfect time as our foot traffic increased due to the temporary relocation of the Hillsborough County Superior Court North from Manchester to Nashua. Several city departments helped put out the welcome mat for the public, court's employees, judges and jurors. So far, justice is being served with little disruption.

Now you know when you're in public service, you often hear terms like vision, agendas and initiatives. Still others use phrases such as priorities and goals. Like many people, I sometimes use those terms interchangeably -- but I always keep in mind those terms often mean different things to different people.

In my two years as mayor, I've come to believe that "Strategic Management" encompasses all those terms. I consider it to be the essence of the administration of good government. In the end, being a competent manager and having vision are not mutually exclusive. In my administration, they have always gone hand in hand.

Let's take Economic Development as an example.

As I mentioned earlier, City government's single greatest responsibility regarding this issue is to help create an environment that is attractive and predictable for businesses to grow and succeed. So what does that mean? It means we need strong infrastructure encompassing roads, schools and transportation but we also need to keep quality of life issues in mind. By quality of life, I'm talking about employers being confident that their employees can afford to live here, and invest their time and energy volunteering at the schools and in City government. A place education is valued, where their children can grow and learn the skills needed to compete in the 21st century.

It reminds me of that song about the shin bone being connected to the ankle bone -- it all relates. All of these issues come full circle. And done right, they are all indicators of good government, a place where people participate, can find the information they seek, see government acting in their best interests, and can reach out to their elected representatives on the issues that matter most to them.

During my last State of the City, I spoke of how in my first year I needed to learn the internal culture of city government in order to set the table for success in year two. I told you I had discovered a "City of Silos" along with a phenomenon I referred to as the "Language Barrier."

Let me give you a progress report.

We have had a positive impact on breaking down Silos. I know this because my senior management team, that I refer to as my Cabinet, comes together and works together as a team looking at and solving problems; but more than that, they reach out to each other to do so even when we're not in a collective group.

I'm certain that our months together viewing the City from different vantage points set the foundation for that. That view also resulted in what we called a Quadrant Report, which the Cabinet and I presented to the Board of Aldermen one Saturday morning in April of 2009. This report is one of the tools to be utilized in the strategic planning meetings that the President of the Board, has initiated.

Another measure of the success in breaking down Silos is the way we have productive senior management teams focused on the Broad Street Parkway, CitiStat, Pennichuck, and Energy Planning. I am very proud of my cabinet and hope they are as proud to have me on their team as I am to have them on mine.

We have also made significant progress with breaking the "Language Barrier." The biggest single example of progress in this area is the resolution of union contracts.

With the current Costing Model now being used, the employees and the City, have a clear understanding of exactly what the terms of the contract cost. They have the confidence and assurance that we have reached a fair and affordable agreement.

Clearly, we have made great progress in this area. Based on my experience so far, I believe that if we would have had this information and been in fact speaking the same language, it would have meant a different teachers' contract today.

This year we have successfully negotiated and closed eight contracts. This change was one of the reasons. This new approach benefits all parties, the employees, the City and perhaps most of all, the taxpayers.

This change would not have been possible without our CFO Mike Gilbar, who understood and shared my concerns and took the initiative to produce the new model.

I find it remarkable to be able to tell you tonight, that for the first time in eight years, we have no expired union contracts.

My goal is to maintain that trend. It is important for the city and our employees to have fair and certain contracts in place. In these uncertain times, that may mean having a series of short, one year contracts as we move forward.

Transparency plays a large role in dealing with Language Barrier problems and here we have accomplishments, too.

Where did the light shine this year where it hasn't in the past? Our tax bills are a perfect example.

One of my goals has been to build on the positive impact we are having with residents when the City makes more information available to them concerning how their tax dollars are being spent. Our insert in their tax bill is doing just that. The insert was particularly important this past year with our Revaluation, something that not everyone understood.

And coming soon: the *Guide to Understanding Your Tax Bill* – an everything-you-ever-wanted-to-know about taxes, rates and valuations, which will be readily available on the web, and in a brochure you'll find at City Hall.

Speaking of everything you wanted to know, please check-out our new web information about winter storm operations, and also access information by telephone on our new snow line which updates weather conditions, and lets you communicate with a streets employee about things that need their attention.

We've established on-line, monthly financial reporting and placed all of our union contracts on the web so that every citizen is able to have access to information that will go a long way in understanding how their money is being spent.

We also continue to improve our budgeting and reporting process. This year, prior to the completion of my FY10 budget, I asked that all special revenue funds include budgets where there were recurring annual costs. Though these funds are not paid for with tax dollars, I feel that it is good practice to provide complete information about the City's financials as well as improve budget controls.

We were also proud to host a *Sunshine Week* workshop headed up by our City Clerk Paul Bergeron, which was attended by more than 75 city and area municipal officials and employees, including attendees from as far away as Jackson, Gilmanton and Keene.

During the presentation, we stressed the importance of the spirit of the law: that all government information should be regarded as public to begin with instead of looking for exceptions in order to hold it back. I am confident that the attendees left with a better understanding of our "Right to Know" laws.

In my second State of the City address, I stressed my firm belief that *people don't trust what they can't see*. We will continue to find ways of ensuring that the public's business is able to be seen by the public.

More and more we're finding out just how much technology can drive transparency and efficiency. We're doing our best to harness both.

As an example, the City has launched its NGIN (Nashua Government INnovation) initiative which includes upgrading our financial software also referred to as ERP (Enterprise Resource Planning). It's a multi-year effort to transform and modernize city government and provide a unified system of technologies, business processes and management.

The bottom line here is our current (ERP) system went on-line in the seventies. While I have no doubt many of us have great memories from that time, I think we'd all agree; we cannot run a city on software from the disco era.

The benefits of the new system will include:

- Incorporating process improvements and government best practices to end inefficiencies and help us to continue our progress in breaking down silos
- Create a tightly integrated system built on collaboration instead of duplication
- Promote knowledge sharing and government transparency
- Offer innovative new tools for staff and citizens to provide faster more efficient services
- Ensure reliability and continuity of operations for critical systems

Great things are happening in Nashua. We have made progress to be proud of over the last two years. I encourage all of our Division Directors to be creative as well as accountable.

Three new directors joined city government recently. They include: Leon Kenison in Public Works, Susan Valaitis for CitiStat and Jennifer Hinderer at the Library. They make wonderful additions to my Cabinet.

Lots of great things are happening across all of our city divisions. Let me share some with you:

As many of you know, my approach to Administrative Services, is CitiStat. CitiStat has been busy with helping me, Division Directors, and department managers look at their information differently. The biggest objective is effective, efficient delivery of services.

Weekly CitiStat meetings also include a team of Senior Managers, which include, finance, IT, Human Resources, even GIS to look at problems, barriers and information in a way that moves projects along, and provides immediate access to multiple departments and to our managers. In other words, providing data that helps our departments work smarter which leads to greater accountability.

Currently CitiStat is also leading the process mapping portion of the NGIN initiative. In addition, they are facilitating the information gathering and analysis for the fleet assessment needed for this years budgeting priorities.

Because so many of our residents stayed closer to home due to the economy, our library experienced its busiest summer ever. Overall, circulation is up 5-percent just since July.

Perhaps even more importantly, the library is responding to the needs of those out of a job and looking for work by adding substantially to the *Career Training Collection*. Books about writing resumes, interviewing and job hunting strategies are checked out just as soon as they're checked in. Clearly, our trustees, librarians and support staff are passionate about focusing their energies on those who need jobs. Their mantra: we're working harder -- and smarter.

In our Park Rec department, the *SummerFun* program experienced record crowds attending over seventy free events put on throughout the season. The highlight of the summer? The Fairytale Festival, of course, which drew over five-thousand visitors.

Parks and Rec continues to be recognized: the Mine Falls Park Gatehouse received the Historic Preservation Award from the New Hampshire Historic Preservation Alliance and the department's plantings and flowers all across the City earned the New Hampshire Arborist Association Community Beautification Award.

Across town, we have Public Health and Community Services.

When the federal government declared a National Public Health Emergency this past April 26th regarding the H1N1 virus, it took Nashua only one day to activate its Multi-Agency Coordination Entity (MACE) as a way of coordinating the communication and resource needs of the Greater Nashua Region, the first in the entire state to do so.

To date, our Division of Public Health, along with its partners, have held numerous H1N1 clinics, vaccinating over 36-hundred people.

While Public Health's work often affects thousands, it's also able to react quickly to individual needs. The division's department of Environmental Health received a call from a Nashua School District nurse regarding a child who smelled like diesel fuel when she arrived at school.

Environmental Health contacted Nashua Fire-Rescue and Code Enforcement, and Building Safety. Within minutes, City departments met at the house. They found a significant leak of home heating oil and a malfunctioning furnace that was leaking deadly carbon monoxide gas into the home.

Caring professional's quick response time and tremendous collaboration between departments potentially saved the lives of an entire family.

Over at Transit, the economy is having an impact as well with a greater number of people using public transportation than ever before. Ridership on our city buses went from almost 416-thousand in 2008 to over 474-thousand in 2009. That's an increase of more than 58-thousand riders or 13-percent.

Transit also increased the night routes the city offers. By adding another bus, we were able to go from two routes to three. We also started a brand new Saturday night service that includes three buses and our residents will have three new trolleys to ride in the spring.

In the near future the Transit Center – that sits right behind City Hall -- will be renovated. This will include more efficient lighting, a safer outside pad, security cameras inside and out, as well as new flooring and seating.

As part of City Hall's efforts to promote efficiency and effectiveness, Transit has taken on responsibility for the city parking program and is now a component of the new Transportation department that makes its home in Community Development. This also better reflects our recognition that a city of our size should be proactive in the bigger picture of Transportation.

To remain competitive, Nashua must continue to improve mobility for our residents, commuters and goods. Nashua needs to have a strategy to set future transportation priorities that will stimulate long-term community prosperity and competitiveness. This strategy must include rail, not just commuter rail because freight is also part of the equation.

A draft report can be found on the web-site and a final report from the Mayor's Transportation Task Force will be presented at a joint Infrastructure and Planning and Economic Development meeting, followed by a discussion on rail. I'd like to thank the President and two chairmen for working with me to have a forum for a productive discussion.

During 2009, Motor Vehicles became an on-line municipal agent with the State of New Hampshire. This new system allows us to perform additional services for our residents such as late renewals, vanity and Moose plates, duplicate registrations, and several other additional services.

Prior to this change over, we were averaging over three-thousand customers who had to complete their registration process either in Milford or Concord, now that we are an on-line agent, this need to travel has been eliminated. It will also assist the City in earning additional revenue.

Our IT department has been a leader in breaking down silo's by listening and meeting the needs of departments to better plan and use the City's resources, including: work order and service management (IntelliGov), vehicle fleet management and improvements like our new Fuel Management system, which helps account for and control the use of the City's fuel stores.

Your local government and education channel, NashuaCTV, has dramatically increased the depth and length of programming through its new broadcast systems. This growth continues as our new state-of-the-art studio goes live this spring.

Citizens will also see higher quality production values when they watch government meetings on television thanks to our new robotic camera systems now in operation in this chamber. You will also note the changes coming to the meetings hosted in the city auditorium, primarily planning and zoning, while they too will get new cameras; the biggest improvement there will be sound quality.

Public TV will be advanced with the RFP release that should be going out in March. This will provide the opportunity to determine true costs and flexibility in launching Public TV.

Over on the public safety side, both our police and fire departments have impressive results to share.

Police Chief Don Conley reports that his department is up to full strength again with 177 officers. Our men and women in blue were recently audited for re-accreditation and even though the official report is not due out until mid-March, the auditors told the Chief that Nashua did quite well.

That's a tremendous accomplishment for one of the largest police forces in the state. I know the Board shares my pride in our police officers along with the amazing work they do each and every day, often under difficult circumstances.

The Chief is also extremely proud of the fact that we now have fifteen Crime Watch groups in Nashua -- the highest number ever since the program was created. Chief

Conley calls these watch groups "great partnerships" for the City and can't say enough about the dedicated citizens behind the success. It is important to understand that this increase does not correlate to an increase in crime, but instead an increase in citizens taking an interest in how they can be involved.

Fire Chief Brian Morrissey is equally as proud of the nearly 7,500 emergency calls our Fire and Rescue crews answered in 2009.

Firefighters responded to several major fire events, most notably the five alarm at Vine and Lake Streets one year ago where they saved an entire city block, then another five alarm just recently, in a historic building on Pine Street.

These fires had much more than just the same number of alarms in common. Thanks to the bravery and professionalism of our firefighters, there was no loss of life or injury at either blaze.

Our firefighters and police officers are an indispensable part of the fabric that binds our community together -- keeping us safe when we need protection the very most.

Still remaining in the category of "unfinished business" for 2009 -- we have Pennichuck. As you know, in January we presented our case for reducing the eminent domain cost to the NH Supreme Court. And at the end of last year, our team of experts presented their view of fair market value at an open meeting of the Board of Aldermen. After that presentation, the CEO of Pennichuck wrote an op-ed piece where, in his words, "without waiving any other rights," he gave me the okay to publicly disclose the amount the city offered in 2007. I can't see how one piece of information from three years ago is going to help anyone understand this complex issue. Mr. Montopoli should know that good government thrives on a complete and open exchange of information. I suggest that he "waive any other rights" he thinks he has and authorize open explanations and discussions of all conversations with the public and his shareholders. Maybe then those discussions would take a different course. It is worth considering that soon after our presentation to the Aldermen, Pennichuck sold almost

400,000 shares at 21 dollars a share and, just before our Supreme Court arguments, Pennichuck made a presentation of their own to a legislative committee where they valued their entire company at about \$134 million.

And under the "You can't always hit a home run but you have to keep swinging" category -- we have the future of baseball at Holman Stadium.

I know last year I stood before you and said with great excitement that we've signed a new professional team called the American Defenders and that baseball is back!

Well despite the City's best intentions and lots of promises from the team, it became pretty clear, pretty fast that the deal simply wasn't going to work. Because the diamond at Holman is such a gem, we went back to the drawing board. Thanks to an amazing group of volunteers, we have a new plan for the stadium for this summer and beyond. The recommendations are built around an understanding of the value of this historic stadium to our city and an effort to bring sustainable and appropriate activities to our stadium. This report was presented to the Board of Public Works last week and is on your agenda tonight. I'm hopeful you will be impressed with the work they did in less than two months time.

We are also soon to receive a report from the Arts Commission Steering Committee. This group has been working for more than a year to define a commission to serve the community as a cultural resource. This committee came about after a day long symposium on the arts.

Some Goals/Priorities for 2010

Economic Development

City Branding Initiative

As you know, retention, recruitment and marketing have been our goals for Economic Development. Even with the best intentions, these times required recruitment and marketing to take a back seat to retention. Understandable of course but clearly our

community needs to get the word out about the great things that are happening in Nashua every day. There is a need to communicate a consistent and coherent message to the outside businesses community and region about what Nashua has to offer. It is time to get in full gear with our City Branding Initiative which will help to target the kinds of businesses that are a great match for Nashua and which augment our existing strengths.

Infrastructure/Economic Development

Energy Efficiency

We have been fortunate to receive direct Energy dollars that we have identified uses for, first and foremost, the development of an energy strategy. This will be the foundation for moving forward with any initiatives that we identify as well as positioning us to apply for available funds. The Jordan Institute should have that completed before the end of the month. In addition we have targeted some of those funds for renovating the HVAC systems in City Hall.

Nashua is certainly getting some attention on the state and national level as a City poised for being a leader in energy. The State Office of Energy and Planning asked us to be a partner in their application for a federal initiative called Beacon Communities.

At our finance committee meeting we approved the purchase of our first hybrid vehicles, two cars, one for Park Rec and one for Streets.

We are gearing up for a proposal to apply for Federal Grant funds for a Compressed Natural Gas program which will entail a fueling station and vehicles.

You will also soon see an RFP being released to hire an energy broker. This is not necessarily an energy saving move, it is primarily a cost saving measure which should result in real savings that we can then direct to other needs without having to raise more revenue.

Let me send out some thank yous. Because it's not just the people who work all across city government who help make goals and initiatives a reality, we have dedicated volunteers who also play an integral role in many of these successes.

A wise mom once remarked: Volunteers don't have more time than the rest of us, they just have more heart. And that is certainly true for the over three hundred volunteers who serve on our various boards and commissions.

We have 52 boards and commissions, but we also have those that serve on ad hoc committees, Holman Stadium, Transportation, Arts steering committee, the ERP steering committee not to mention, friends of committees, and trustees that serve our library, cemeteries, hunt building and others. I have appointed over 170 of them at this point, and without them, many important priorities would have stayed on a back burner, I sincerely thank them all.

One of those tremendous volunteers who has always answered the City's call on many occasions is Jack Law. I want to personally congratulate him on earning Citizen of the Year honors from Nashua's Chamber of Commerce this past November. Jack is dedicated to Nashua in so many ways, not just with his family business that has been operating in our city for more than 100 years, but in his quest to give back in so many ways. I think his wife Lori said it best, Nashua is everything to him. I'm sure that's why he keeps track of what I am up to, even when enjoying a break in the Sunshine State, he doesn't miss a thing!

You can't talk about volunteers without talking about you, our Aldermen. While you are elected officials; your efforts often go far beyond meetings. Your constituent service and willingness to work with me, and serve in additional capacities beyond your regular aldermanic duties, must be recognized. And I thank you for all of your efforts on behalf of our city.

In closing, let me say;

“While Nashua, in common with every city and town, has felt the sting of the times, we know that we are better off than many other communities.”

“When optimism replaces pessimism; when courage replaces gloom; and when hard times change to prosperity, I am sure we will find that our city has not been vitally hurt.”

“If we turn our eyes inward or if the world cares to glance our way.....they will find its inhabitants...have goodwill for one another and who wish all mankind better and more peaceful times for the coming years.”

Those words are not mine. Interestingly enough, they are what Mayor William Sullivan said in his *State of the City* address in 1932 -- the second worse year of the Great Depression.

So from 1932 to today here in Nashua, we are uniquely positioned to bounce back from a tough economy because we've always been a city that cares, that attracts new ideas and welcomes new industry. And it's been that way for a long time.

Dozens of mayors before me, and hundreds of aldermen before you, have worked together in good economic times and bad, through wars and recessions, from the decline of our mills to the rise of high tech.

We've all served at very unique times in our city's history. Our challenges have had different names and they've required different fixes but the place is the same. It's Nashua, the place all of us call home. I mean, let's remember, thanks to Nashua Corporation, we're the city that helped bring wax paper to the rest of the world in the early 1900's. And what did we do to top that? We invented the automatic bread-wrapping machine of course.

The economy will indeed be the watch-word in the year ahead but we can still aim high during troubled times, still reach down deep to work out our challenges, still remember we're all in this together.

If the third time around is truly a charm, then in my third year as Mayor, I look forward to 2010 and all the good work we can accomplish.

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